

RELEASE IN  
PART B1,  
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## DEPARTMENT OF STATE

## BRIEFING MEMORANDUM

Chil. Project (#S199900030)

U.S. Department of State

~~Release~~ ~~Excise~~ ~~Deny~~~~Declassify In Part~~ ~~In Full~~ **MAR 27 1978**~~SECRET/SENSITIVE~~ ~~Exemption(s)~~

TO: D - Mr. Christopher

FROM: ARA - Terence A. Tooman

SUBJECT: Status Report of Letelier/Moffitt Assassination Investigation~~Dept of State, RPS/IPS, Margaret P. Graff, Dir.~~~~( ) Classify as ( ) Extend as ( ) Downgrade to~~~~Date 4/25/01 Declassify on Reason~~

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The Chilean Government's special delegation offered full Chilean cooperation to our investigation of the Letelier/Moffitt assassination. They gave initial evidence of this by inviting Assistant U.S. Attorney Propper and FBI agents to Santiago to conduct interviews, a step of crucial importance to the pursuit of the investigation. Propper did conduct interviews, but could not, up until departure, get the Chileans to produce a key witness, a matter that is central to the issue of Chilean cooperation.

We are not privy to much of the evidence nor should we be. The U.S. attorney and the FBI, with whom we have cooperated every step of the way, had gathered enough evidence before they went to Santiago March 19 to convince them that the Chilean security agency DINA contracted the assassination of Orlando Letelier (and the coincidental murder of Mrs. Moffitt and the wounding of her husband). DINA agents allegedly came to the United States with false passports and fraudulently obtained official visas, and contracted with Cuban exiles in Miami to kill Letelier, whom right wing exile groups hated because of Letelier's connections with Havana. A Cuban team is said to have planted the car bomb which killed Letelier and Mrs. Moffitt.

Propper and FBI agents went to Santiago March 19. Working closely with Ambassador Landau, they met with senior Chilean security and intelli-

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gence officials, and reiterated our request for prompt, meaningful cooperation.

The Chileans for their part unfolded the solution they hoped would satisfy us. They retired General Contreras (to us they said privately that he had lied to Pinochet) who was head of the DINA when the Letelier/Moffitt murders took place without alleging, however, any connection with the case. They offered up two Army officers, identified as the "Williams" and "Romeral" who they say used the fraudulent Chilean official passports to come to the U.S. just before the murders, on intelligence matters not connected with the murders, to answer the letters rogatory. These officers interviewed by Propper, denied involvement (probably honestly) in the murders.

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clearly confirm an initial Chilean effort to contain the case and steer it away from evidence of Chilean Government involvement and towards a theory of unilateral Cuban exile action. Inter alia, [redacted] collusion between some judicial elements and Pinochet on grounds of national security. [redacted] suggests these judicial elements have concluded the case cannot be contained.)

The best information is that the actual visitors, the link between DINA and the Cubans, were the American Townley and the Chilean Army Captain Fernandez. The Chileans admit they have Fernandez, but have been claiming that Townley, whom we now think is probably in custody, could not be found. Landau told Foreign Minister Carvajal that to see only the two Army officers would be unacceptable. He said that we must see both Townley and Fernandez, or Propper would go home and report that the Chilean Government would not cooperate meaningfully.

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Carvajal called Landau back in on March 23 to tell him that they are in touch with Townley's lawyer and expect to be able to present Townley in a few days. (They fully agreed to interviewing Fernandez.) It is understood by all that there must be action around the end of the month if we are not to conclude that the Chileans are stalling. (We judge they are probably preparing Townley's story.) Proper has returned to Washington and will go right back to Chile if Townley is produced.

If Townley is not produced, the next step will be, as you authorized, for Landau to see Pinochet. Landau will be in a position to remind Pinochet that according to a high Paraguayan source (Stroessner's Private Secretary), it was Pinochet himself who called Stroessner to ask for official Paraguayan passports for Townley and Fernandez to be presented to us for visas. We issued those visas, but afterwards Stroessner's private secretary told Landau--then in Paraguay--of the matter. At our insistence, the Paraguayans got the Chileans to return the passports, and Townley and Fernandez, as "Williams and Romeral", were prevented from using Paraguayan passports. Pinochet may deny the call, and we cannot prove it; the Paraguayan official in question is not renowned for his honesty. But we do have evidence that Contreras was personally involved in the Paraguayan passport case. After this aborted attempt the two returned to Chile and there allegedly obtained U.S. visas to come to the U.S. under other names.

#### Our Objectives

- That justice be done, meaning that alleged assassins, and alleged contractors and conspirators be brought to trial.
- That our actions deter other governments or their agents contemplating assassinations on United States soil.

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- That neither a dislike of the Pinochet regime, on the one hand, nor a concern to protect our diplomatic and other interests in Chile on the other, be permitted to cloud the central issue of pushing forward the investigation.
- That our actions not only serve these objectives, but once this matter becomes public, be clearly seen by the public and the Congress as palpably serving these objectives.

Next Steps

We wait for the Chilean response on Townley. If they produce Townley, we see how that goes. In the meantime, beyond any necessary reiteration of how seriously we view the matter and of our refusal to comment on investigative aspects, we are confining press comment along the following lines released by the Justice Department:

"Assistant U.S. Attorney Eugene Propper, accompanied by FBI agents, was in Chile from March 19th through March 23rd in connection with the Letelier case. During this period progress was made. However, a key witness, Michael Townley, has not yet been presented to respond to the letters rogatory. The Chilean Government has assured us it is and will continue making every effort to produce Mr. Townley as quickly as possible. Mr. Propper is ready to return to Chile as soon as Mr. Townley is made available."

Unauthorized speculation by Justice, FBI and State officials has been a problem, and we have taken steps to severely restrict dissemination of information on the case. Some of the press speculation, notably the publication of the two photos, actually helped open up the case, but speculation by government officials about evidence or about what we might do to the Chileans could be damaging to the progress of the investigation. If the Chileans finally decided to stonewall the investigation, they will do so on grounds that it is a political circus designed to

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destabilize Chile, playing the card of nationalism, Chile against the world. We do not want to give them ammunition.

If we run into a wall on Townley and a Landau call on Pinochet does not produce results, then we would propose to recall Landau for consultations, making public that we are doing so because of our concern that the Chileans were not cooperating fully with us. In and of itself, this would put pressure on the Chileans. During Landau's consultations we would review and present for decision the options for applying further pressure on a step-by-step basis.

A Chilean stonewall might be accompanied by a claim of CIA involvement, allegedly through Townley.



The case is opening up rapidly and may well continue to open up even if the Chileans don't produce Townley. We do not know where the case will take us and prefer not to get ahead of the evidence, which now points to DINA and probably General Contreras, who could easily become a target of the investigation. The case inevitably has political significance in Chile; one indication is the sensitive report that the Army generals will meet this week on the case, but again it is too early to speculate usefully on the eventual political fallout.

ARA:FMcNeil:APA/AND:RSSteven:jd  
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Concurrence: Ass't U.S. Attorney Proper

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